

LEASE

This Lease is by and between Boyd Andrew Community Services, a Montana non-profit corporation, hereinafter called “Boyd Andrew”, and Jefferson County, a political subdivision of the State of Montana, hereinafter called “County”.

RECITALS

Boyd Andrew has provided community-based correctional services to the Department of Corrections of the State of Montana (the “Department”) since 2001 at a facility located in Helena, Montana. On January 10, 2006, Boyd Andrew responded to a request for proposals from the Department for development of a methamphetamine residential treatment program and center for 40 adult females. Boyd Andrew was selected by the Department to provide methamphetamine treatment under a contract with the Department for up to 40 female offender beds at a facility to be constructed in the County adjacent to the Town of Boulder (hereinafter referred to as the “Facility”).

Boyd Andrew intends to build the Facility on property owned by County known as part of the South Campus and hereinafter defined as the “Leased Site” on land transferred to the County from the State. Boyd Andrew intends to obtain funds to build the Facility on the Leased Site by obtaining a loan (the “Loan”) from the Montana Facility Finance Authority (“MFFA”) of proceeds of MFFA’s bonds issued pursuant to Title 90, Chapter 7, Parts 1, 2, and 3 (the “Bonds”). MFFA and Boyd Andrew will, on the date of issuance of the Bonds, enter into a loan agreement (the “Loan Agreement”) describing the terms and conditions of the Loan. MFFA will assign its interest in the Loan Agreement to U.S. Bank National Association as trustee (the “Trustee”) for the benefit of the Bondholders pursuant to a trust indenture dated the date of the Bonds (the “Indenture”). Boyd Andrew will similarly assign its rights under this Lease to the Trustee solely as security for the Bonds.

The payment of the Bonds will be made by payments from the Department pursuant to a contract with Boyd Andrew to purchase services from Boyd Andrew to be provided at the Facility.

WITNESSETH:

1. **Leased Site.** County is the owner of certain real property described on “Exhibit A” hereto, which is herein referenced as “the Leased Site”. County warrants and represents that it owns the Leased Site free and clear of liens and encumbrances, and has full legal power and authority to lease it to Boyd Andrew for construction of a methamphetamine treatment center as described in Section 53-1-203(l)(c)(ii), MCA. The Leased Site includes the non-exclusive right to use the roads, drives and parking areas shown on “Exhibit B” for ingress and egress. County also represents the Leased Site is not within the City limits of Boulder, Montana and is appropriately zoned for the development of the Facility thereon.

In consideration of the mutual covenants, conditions and agreements contained in this Lease, County leases the Leased Site to Boyd Andrew and Boyd Andrew leases the Leased Site from County.

2. **Term.** The initial term of this Lease shall be for a period of ten (10) years beginning on the date of this agreement, and shall be renewable as set out in section 3 below. The term of this Lease shall be automatically extended, so far as is legally permissible, the remaining term of the Bonds in the event of a Default under the Loan Agreement or the Indenture.

3. **Renewal.** Boyd Andrew, the Trustee or Department shall have the option of extending the term of this Lease for an additional term of ten (10) years by giving County at least six months written notice of intent to renew prior to the end of the initial term, which notice may be given the day after the issuance of the Bonds. Boyd Andrew shall have the option to extend the term of this lease for additional (10) year terms, provided that County shall agree to the renewal. Boyd

Andrew shall give County at least twenty-four (24) months written notice of its intent to renew for a third ten (10) year term. County will give Boyd Andrew eighteen (18) months notice if the County intends not to renew for the third ten (10) year term.

4. **Rental.** Boyd Andrew agrees to pay rental of \$100.00 per month due on the 1st day of the month after execution of this document and on the 1st day of the month for each month thereafter of this lease. In addition to monthly rental, Boyd Andrew shall provide the County a payment in lieu of taxes described in Section 12 hereof. The rental amounts for the renewal terms of the Lease Agreement will be the same as stated herein.

5. **Use of Leased Site.** Boyd Andrew shall use the Leased Site as a residential methamphetamine treatment center providing services pursuant to Section 53-1-203(l)(c)(ii), MCA, as amended and for other residential methamphetamine treatment approved by the Department. The parties understand and agree that the Facility will be initially built for forty (40) beds. Boyd Andrew anticipates needing 44 beds to satisfy the Department's contract for 40 offenders, due to logistics of receiving offenders from, and sending offenders to, other facilities and due to inherent schedule conflicts in treatment programs. Boyd Andrew anticipates there will be need for additional beds (in addition to the 44) and Boyd Andrew is funding the costs of that additional bed space from its equity contribution.

It is agreed that this is to be a secure facility. Boyd Andrew is solely responsible for the housing and security of said secure treatment facility upon leased property. It is understood that Boyd Andrew is required to enter into an agreement with local law enforcement including the Boulder Police and Jefferson County Sheriff to ensure agreed upon procedure for emergency response as well as any costs for local law enforcement assistance and/or temporary housing of any treatment facility offenders in the Jefferson County Jail if required. Said agreement shall be obtained prior to the

beginning of operations of the Facility.

6. **Sublease.** Boyd Andrew may not use the Leased Site for any other purpose and may not sublease, rent, assign or otherwise permit the use of all or any part of the Leased Site for any other use, except with the permission of County. If the Leased Site is subleased while the Bonds are outstanding, the sublessee must be approved by the Department and the sublessee must be a non profit Montana corporation whose income is not subject to taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended and provided, however, that Boyd Andrew may assign its rights under this Lease to the Trustee or the Department to provide methamphetamine treatment center services on the Leased Site until the Bonds are fully paid.

7. **Improvements.** Boyd Andrew is authorized to construct a facility of an estimated size of 23,000 square feet, according to approved plans on the Leased Site at Boyd Andrew's expense. The improvements shall be the property of Boyd Andrew. Boyd Andrew agrees to commence construction as soon as this lease and an understanding with the City of Boulder are finalized, and further agrees to pursue diligently the construction and to substantially complete construction of the improvements within two (2) years after execution of this Lease. If Boyd Andrew is unable to meet these completion deadlines, the Trustee may complete construction.

All improvements shall be promptly paid for by Boyd Andrew, and Boyd Andrew will not permit any lien to be filed upon the Leased Site, other than the lien of this leasehold interest and the security interest in the improvements given to the MFFA and assigned to the Trustee. If any lien is filed, Boyd Andrew shall cause it to be removed immediately by payment or shall provide County with an indemnity bond providing for the ultimate discharge of the lien at no cost or expense to County, including court costs and attorney's fees.

Boyd Andrew shall design and construct the Facility in a configuration acceptable to the

Department and the County. The diagrams attached hereto and designated "Exhibit B" and "Exhibit C" are the general area for which Boyd Andrew will bear responsibility for construction and maintenance. Landscaping and screening shall be substantially as represented on the above-referenced diagrams. Boyd Andrew will be responsible for landscaping of the Leased Site. County hereby designates Tara Mastel as the individual who shall coordinate construction of the Facility with the County and shall serve as the contact person on behalf of County. If Boyd Andrew intends to expand the Facility, it shall provide a written request to County and obtain County approval after a public hearing and then written modification of this lease.

City of Boulder water and sewer lines are available at the boundary of the Leased Site. Agreements regarding the Facility's arrangement for water and sewer and for fire protection are attached hereto as "Exhibit D."

8. **Maintenance of Leased Site.** Boyd Andrew shall maintain the Leased Site and Facility in good condition and shall make such repairs as may be required to keep the Leased Site and Facility in a safe and serviceable condition. Boyd Andrew shall be solely responsible for the maintenance of the Leased Site including care and watering of any landscaping and snow removal and maintenance of any sidewalks on the Leased Site. At the termination of the Lease Agreement and after payment in full, or defeasance, of the Bonds, Boyd Andrew shall surrender the Leased Site and Facility to County in good condition upon payment of the fair market value for the improvements (as described in Sections 22 and 23). Once the Facility has been constructed, Boyd Andrew shall not make any exterior alterations or changes to the structure of the Facility without the prior written consent of County.

9. **Notices and Permits.** Boyd Andrew is responsible for and shall give all notices and obtain and pay for all permits, licenses, construction, bonds, utility hook-ups (including sewer and

water extension as described on “Exhibit B”) that may be required for the completion of the Facility according to federal, state, county, or City of Boulder laws, rules, statutes, regulations, and ordinances, together with all premiums for insurance required in this agreement. Boyd Andrew shall give all such notices and secure all such permits, licenses, construction, bonds, and course of construction insurance before Boyd Andrews or its contractor begins the work described in this Lease Agreement.

10. **Condition of Leased Premises.** Neither County nor its agents have made any representation with respect to the Leased Site except as expressly set forth in the Lease Agreement. Boyd Andrew has examined the Leased Site and accepts it in its present condition, “AS IS.”

11. **Fire and Destruction of Facility.** If during the term of this Lease the Facility or any portion thereof shall be damaged or destroyed by fire or any other cause, then Boyd Andrew shall do one of the following:

A. Restore and rebuild the Facility if Boyd Andrew in its sole discretion determines to do so, utilizing the insurance proceeds available. Boyd Andrew shall have a period of one (1) year to make a determination whether or not rebuilding of the Facility is feasible for Boyd Andrew. If Boyd Andrew determines that rebuilding is feasible, Boyd Andrew shall rebuild the Facility using a configuration then acceptable to County and the Department, or such other entity having supervisory control over the facility. Rebuilding of the Facility shall be completed within three (3) years after the damage to the Facility.

B. Boyd Andrew may terminate the Lease, and assign to the Trustee (if the Bonds are not fully paid) or County (if the Bonds are fully paid) all available insurance proceeds for use in reconstruction of the Facility, it being recognized that the portion of the insurance proceeds attributable to furnishings and equipment, supplies and other personal property shall

be owned solely by Boyd Andrew.

C. Take such other actions as the parties shall agree under the circumstances as then known by the parties.

12. **Taxes and Assessments.** County and Boyd Andrew agree that structures, facilities, and operations of business upon the Leased Site and Facility operated by Boyd Andrew shall not accrue property taxes. Instead, it is agreed by both parties that Boyd Andrew shall provide a payment in lieu of taxes, which payment will be due on January 31st of each year of this Lease with said payment made to the Jefferson County Treasurer. The payment in lieu of taxes shall be calculated at one percent (1%) of the payments made by the Department to Boyd Andrew for the operation of the Facility for Boyd Andrew's last fiscal year, after deduction has been made for the payment on the Bonds. Any late payment shall be assessed 1% per month interest as well as a one hundred dollar (\$100.00) late fee.

Both County and Boyd Andrew are exempt from payment of real property taxes, and shall take such actions as are necessary in order to keep the Leased Site and the Facility exempt from real property taxes. Any subtenant who is not a tax-exempt entity shall be responsible for payment of any taxes associated with its occupancy. In the event a special improvement district is created after the occupancy of the Facility and an assessment is levied against the Leased Site for the benefit of the Leased Site, Boyd Andrew shall pay its portion of such assessment.

13. **Insurance.** Boyd Andrew agrees to provide, at Boyd Andrew's expense, liability insurance providing errors and omissions coverage during the term of this contract with a reputable bonded insurance company providing limits of \$1,000,000 per occurrence and \$2,000,000 aggregate. Proof of such insurance, including a copy of the policy and declarations page, shall be provided to the Jefferson County Attorney's Office no later than thirty (30) days after the effective date of this

contract. County and Trustee shall be named as additional insureds on any insurance policy as their interest may appear.

14. **Indemnity and Liability Terms.** Except as otherwise provided in Section 5 hereof, each of the parties shall indemnify the other and hold the other harmless of and from an and all loss, cost, damage, claim of damage, liability or expense arising from any injury or claim of injury or any other claim to either persons or property upon or adjacent to said property arising out of, or resulting out of, or in any manner connected with said property or the use, misuse, or disuse thereof.

15. **Holding Over.** The parties agree that in the event Boyd Andrew holds over after the termination of the Lease Agreement, the tenancy shall be from month to month in the absence of a written agreement to the contrary.

16. **Surrender at Termination.** At the termination of this Lease either for default or upon expiration of this Lease or any renewal of it, Boyd Andrew shall vacate and peaceably surrender the Leased Site to the County upon payment by the County of the lesser of the remaining principal and interest due on the Bonds or the fair market value of the improvements at such surrender date as described in Sections 22 and 23 hereof; as such may be applicable in regard to the alternatives described below.

a. **Termination Events.** The parties agree that the County and Boyd Andrew will begin discussions relative to the potential use of the facility within at least six months of the expiration of this Lease as set forth in Paragraph 2. The Parties further agree that the following list of potential uses is set forth in a priority, most favored outcome with the understanding that if any Bonds are still outstanding then the Trustee must approve any potential use, with the advice of Bond Counsel.

i. The first favored potential use of the facility at expiration for the Lease is that the facility will remain a meth treatment center and that the Lease will be renewed pursuant to Paragraph 3 of this Lease;

ii. The second favored potential use of the facility at expiration of the Lease is that Boyd Andrew and the County shall negotiate for a use of the facility for an acceptable use, but such use shall be

subject to approval by the County and the Boyd Andrew Board. It is the intent of County and Boyd Andrew that the use of the facility shall solely be limited to the approval of each Party's respective boards and that all potential uses, if agreeable to the respective boards shall be considered;

iii. The third favored potential use of the facility at expiration of the Lease is that the facility shall be used by the County for any acceptable use proposed by the County for the facility, should the Parties not be able to agree upon an acceptable use under the above subsection ii. Should the County have a proposed use of the facility, it shall pay Boyd Andrew in accordance with Paragraphs 22 and 23 of this Lease. Payment by County, at the option of County, may be by installments, in an amount and upon such terms as are agreed to by the parties; in being understood that if the bonds are not fully paid, then any installment payment shall be sufficient to pay bond payments when they become due;

iv. The fourth favored potential use of the facility at expiration of the Lease is that the facility shall simply revert to the County for the sum of zero dollars. This use of the facility shall only be applicable to the Parties should (1) the Lease not be renewed, (2) should Boyd Andrew not have an acceptable proposal for the facility; and (3) should the County not propose a use of the facility. Additionally, if the facility is transferred to the County for zero dollars, the County agrees that should it use the facility for any purpose continuously for 3 months, within 12 months of the expiration of the Lease, that a payment pursuant to Paragraphs 22 and 23 will be required.

17. **Waiver.** The failure of County or Boyd Andrew to insist upon strict performance of the covenants of the Lease Agreement shall not be constructed as a waiver or relinquishment for the future enforcement of such covenants with respect to a subsequent breach.

18. **Ownership and Quiet Enjoyment.** County covenants and agrees with Boyd Andrew that upon Boyd Andrew's paying the rent and performing all the covenants and conditions contained in this agreement, Boyd Andrew shall be entitled to peaceably and quietly hold and enjoy the Leased Site for the term set forth in the Lease Agreement. To the extent permissible by law, County waives its eminent domain authority with regard to the Facility during the term of the Bonds.

19. **Events of Default.** Boyd Andrew shall be deemed in default of this Lease upon the happening of any one or more of the following events:

- A. Boyd Andrew loses it's tax-exempt or non-profit status under either state or federal law.
- B. Boyd Andrew terminates being a corporation in good standing with the Secretary of State of the State of Montana either voluntarily or involuntarily.
- C. Boyd Andrew abandons the Leased Site or makes use of the Leased Site for any purpose not expressly authorized by this Lease.
- D. Boyd Andrew or the Trustee fail to commence, to diligently pursue, or to complete the proposed Facility.
- E. Boyd Andrew fails to maintain the Leased Site and Facility as required.
- F. Boyd Andrew violates any other term or condition of this Lease.
- G. Boyd Andrew fails to maintain a contract with the Department for methamphetamine treatment services.

Upon such default, County shall give Boyd Andrew, the Trustee and MFFA written notice specifying the default and the acts required by Boyd Andrew in order to cure such default. Boyd Andrew, or the Trustee, shall have a period of sixty (60) days after written notice is received by Boyd Andrew within which to cure the default. If the default is not cured, and the Bonds have been paid in full, County may cancel this Lease and retake possession of the Leased Site, provided however, that Boyd Andrew shall have ninety (90) days from the expiration of the sixty (60) day default notice period within which to remove all of its furnishings, equipment and other personal property from the Leased Site. If there is a default as described above and the Bonds have not been paid in full, County agrees its

remedies for such default are limited to the measures provided in Section 21, 22 and 23 until the Bonds are paid in full.

20. **Right to Cure Default.** The parties agree that each party (including the Trustee acting for Boyd Andrew) shall have the right to cure a default of any of the terms, conditions or covenants of the Lease Agreement to be performed by the other party after notice has been given as provided in this agreement. The parties further agree that the non-defaulting party shall have the right to charge the defaulting party with the full cost and expense of such cure of default which shall be paid promptly upon demand.

21. **Successor Provider.** The parties recognize that Boyd Andrew's services at the Facility are funded in large part by funds from the Department. In the event of an unremedied default by Boyd Andrew not due to the lack of funding by the Department, County agrees to cooperate with the Department and the Trustee, to locate another methamphetamine treatment center provider (including Department itself) in the Facility. In the event a successor provider is agreed upon by Department, the Trustee, MFFA and County, the successor provider shall assume this Lease Agreement, and shall be substituted for Boyd Andrew on such terms and conditions as are mutually acceptable to County, MFFA, the Trustee and Department. In that event, all references in the Lease Agreement to Boyd Andrew shall also include the successor provider.

22. **Reimbursement by County in the Event of termination of Lease.** The parties intend that Boyd Andrew (or a successor provider as described in paragraph 18 above) will operate a methamphetamine treatment center on the Leased Site for at least twenty (20) years and that the Bonds will be paid from Department funds. The parties recognize that Boyd Andrew will construct the Facility upon the Leased Site utilizing MFFA Bond proceeds and that the payments on the Bonds will be made directly from the Department to the Trustee. In the event that Boyd Andrew is unable to

continue operating the Facility due to a lack of available funding from the Department or an unremedied breach by Boyd Andrew, the parties agree as follows:

(1) If such event occurs after the initial term of this Lease (20 years and 6 months) and the Bonds have been paid in full then, Boyd Andrew and the County will follow the provisions of Section 13.

(2) In the event the Bonds are not paid in full, the County may elect to retake the Leased Site, and compensate the Trustee for the current fair market value of the Facility. The fair market value shall be determined as set forth in section 23 below. Payment by the County of the fair market value to the Trustee may be by installments in an amount sufficient to pay bond payments as they become due. If the payment of the fair market value of the Facility is insufficient to fully pay all the principal of and interest on the Bonds then the County agrees to allow the Trustee to sublease the facility to another non-profit or governmental agency until the Bonds are paid in full or to retake the Leased Site and pay the remaining principal and interest on the Bonds.

23. **Determination of Fair Market Value.** The parties (the County and Boyd Andrew) agree that in the event it becomes necessary for them to determine the fair market value of the Facility, they shall agree upon a qualified appraiser to conduct such appraisal. Such appraiser shall be a Member, Appraisal Institute (MAI) or, if such entity does not exist, the appraiser shall be a member of another nationally recognized entity which certifies qualifications for commercial property appraisers. In the event that the parties cannot agree upon one appraiser within thirty (30) days of the date in which they determine an appraisal is necessary, then within fifteen (15) days thereafter, each party shall designate one qualified appraiser, and within fifteen (15) days thereafter, each of those qualified appraisers shall designate a third appraiser. Within thirty (30) days of the designation of the three appraisers, the three appraisers shall reach agreement as to the appraised value of the Leased

Site. If the appraisers cannot reach agreement during such time, the appraisers will each submit a valuation of the property and the appraised value will be determined by the average of the three. The parties agree to be bound by the appraisers determination as to the fair market value of the property appraised. The parties agree to split equally the cost of such appraisal.

When valuing the fair market value of the Facility upon termination of the Lease, for purposes of payment to the Trustee, the appraiser(s) shall determine the fair market value of the Facility, it being recognized that the County owns the real estate and the real estate value shall not be included in the appraised value. The appraised value shall include only such improvements as are constructed and paid for by Boyd Andrew on the Leased Site.

24. **Coordination of Construction.** The Parties anticipate that construction of the Facility and the site improvements and infrastructure improvements to the Leased Site will occur at substantially the same time. The Parties agree to take all actions necessary to insure coordination of construction activities for both projects.

25. **Notices.** Any notices to be given under this Lease may be personally delivered or sent by United States Mail, first class postage prepaid, certified, return receipt requested. Notices shall be given as follows:

County:
Chair, Board of County Commissioners
Jefferson County Courthouse
Boulder, MT 59632

Trustee:
U.S. Bank National Association
U.S. Bank Corporate Trust Services
1420 Fifth Avenue, Seventh Floor
Seattle, WA 98101

Boyd Andrew:
Executive Director
Boyd Andrew Community Services
111 N. Last Chance Gulch
Helena, MT 59601

MFFA:
Montana Facility Finance Authority
Executive Director
P. O. Box 200126
Helena, MT 59620-0126

26. **Mediation.** The parties agree that mediation offers an alternative to the expense and time required to resolve disputes by litigation. Mediation is therefore the parties' preferred dispute resolution procedure when circumstances do not require the parties to seek immediate injunctive relief from the courts. In the event of any dispute between the parties over the meaning, requirements, interpretation, or implementation of the Lease, Boyd Andrew or County may refer the dispute to mediation by written request served upon the other party. The non-requesting party shall have ten (10) days after receipt of a mediation request to consent thereto or to refuse to mediate the dispute. The Trustee, MFFA and Department may participate in the mediation.

A. Within ten (10) days after the parties agree to mediation of a dispute, the parties shall mutually select a mediator. Mediation hearings shall remain informal, with each party being permitted to present such facts and evidence as it may reasonably believe supports that party's position. At the conclusion of a mediation hearing, or within a reasonable time thereafter, the mediator shall recommend a resolution to the conflict or dispute that represents in the opinion of the mediator the most fair, just and equitable solution, based upon the purposes of the Lease, the positions of both parties, and the evidence presented. Costs and expenses of mediation shall be divided equally between the parties.

B. Notwithstanding any provision to the contrary, the mediation procedure set forth herein shall in no way be construed to deprive the parties from any judicial remedies provided at law, or by agreement herein, and is intended solely as an informal dispute resolution mechanism. Neither party shall have the right to compel performance of the

mediator's recommended solutions, unless such solutions are reduced to a binding written agreement between Boyd Andrew and County at the conclusion of the mediation process. The parties hereto intend that each conflict and dispute submitted to mediation shall be unique, with facts, circumstances, and recommended resolutions to be determined on a case-by-case basis, without reference to prior conflicts, disputes, or the resolutions of them. The parties each agree to submit such disputes to mediation prior to filing any litigation to interpret or enforce the terms of this lease.

27. **Attorney's Fees.** The parties agree that in the event of any litigation or collection efforts undertaken by either party, the prevailing party shall be entitled to recover in addition to the damages reasonable attorney's fees and costs associated with the litigation or collection effort in any appeal related thereto.

28. **Applicable Law.** The parties agree that this Lease shall be construed pursuant to the laws of the State of Montana.

29. **Authority.** The parties represent to each other and agree that each of them is authorized to enter into this Agreement and to perform all acts necessary to implement the terms of this Agreement.

30. **Recorded Notices.** Boyd Andrew and County will execute a notice in a form suitable for recording which gives notice of this Lease and shall execute and record a notice to indicate that a construction of the improvements on the Leased Site was accomplished with Bond funds expected to be repaid with DOC funds and that the DOC or Bond Trustee may have rights under the Lease.

31. **Leasehold Mortgagee Rights.** County acknowledges, consents to and agrees that, in connection with the financing of the construction of the Facility, Boyd Andrew intends to grant a mortgage or security interest upon its leasehold estate in the Leased Site to the Trustee, pursuant to the

terms of that certain Leasehold Mortgage and Security Agreement (the "Mortgage") being entered into between Boyd Andrew and the Trustee. Notwithstanding any provisions to the contrary herein, during the period that the Mortgage or any other mortgage or mortgages which encumber the leasehold estate of Boyd Andrew are in existence, the following three paragraphs will apply.

Boyd Andrew shall provide to the Trustee a copy of all notices given by County to Boyd Andrew pursuant to the terms hereof. Any such notice shall be sent via certified or registered mail, return receipt requested or by nationally recognized overnight courier service to Trustee at the address or addresses designated in writing by Trustee to Lessor from time to time. No notice of default sent by County to Boyd Andrew shall be effective as against Trustee unless a copy thereof is also sent to Trustee as provided herein.

County shall not exercise any of its rights under Section 16 or 19 hereof, or as a matter of law or equity, to terminate this Lease, or to claim from Boyd Andrew any damages unless (i) after expiration of the first applicable notice period specified in Section 19, County shall have given a second written notice to the Trustee of the existing default and stating that Boyd Andrew has failed to cure or to proceed with reasonable promptness and diligence to cure the same as the case may be (and if the default has to the knowledge of County been partially cured, specifying the extent to which cured), and (ii) Trustee within thirty (30) days after the receipt of such second written notice shall fail to pay the rent or other sums payable as additional rent, or otherwise, or to perform such other of the terms, covenants, or conditions of the Lease which are specified as in default; and provided further that if such default cannot reasonably be cured in thirty (30) days, Trustee shall have the right to begin to cure such default within said thirty-day period and to proceed with reasonable promptness and diligence thereafter and if Trustee so proceeds with the curing of the default until such cure is appropriately completed, County shall not exercise any of the aforesaid rights or remedies hereinbefore referred to in Section 16 or 19, it

being agreed that (x) in case of a default which by its nature can be cured by Trustee only after obtaining possession of the demised area or foreclosure of the Mortgage, Trustee's commencement of appropriate legal or other action to obtain such possession or to foreclose the Mortgage shall be considered a commencement of the cure of such default, and (y) in case of a default which by its nature cannot be cured by Trustee, the conditions of this proviso shall be satisfied so long as Trustee cooperates in good faith in any legal or other action taken by County to compel Boyd Andrew or otherwise to cure such default, and further provided that upon foreclosure or other acquisition of the Boyd Andrew's interest in the Lease by the Trustee or its designee, all such defaults under the Lease shall be deemed to have been fully cured as to Trustee, its designee and its successors and assigns, provided that the foregoing shall not waive or release Boyd Andrew with respect to such default.

If County shall terminate this Lease by reason of a default or defaults hereunder by Boyd Andrew after expiration of all applicable notice and cure periods herein provided, or in the event of the termination of the Lease, or of any succeeding lease made pursuant to the provisions of the Lease, prior to its stated expiration date by reason of a default of Boyd Andrew or rejection of the Lease by Boyd Andrew in a bankruptcy proceeding or otherwise, County shall provide written notice of such termination to Trustee and will lease the demised area, building or other improvements to the Trustee or to its designee upon the same terms and conditions as are set forth in this Lease for the balance of the unexpired term, including the options of renewal hereinafter set forth, provided the Trustee or its designee shall be ready and willing to enter into such Lease within thirty (30) days after the notice of termination of this Lease; and provided further that the Trustee or such new lessee shall undertake to cure any defaults of Boyd Andrew which would exist under the terms of this Lease if it had not been terminated, other than any default which by its nature cannot be cured by Trustee or such subsidiary, nominee or designee. If such defaults cannot reasonably be cured in thirty (30) days, the new lessee

shall have the right to begin to cure such defaults within said thirty-day period (or, in case of any default which by its nature can be cured by the new lessee only after obtaining possession of the demised area, within thirty (30) days after such possession is available to it) and to proceed with reasonable promptness and diligence thereafter. If the new lessee so proceeds with the curing of the defaults of Boyd Andrew until such cure is appropriately completed, County shall not terminate the new lease by reason of any of the defaults of Boyd Andrew hereunder, it being agreed that, in case of default which by its nature cannot be cured by a new lessee, the conditions of this proviso shall be satisfied so long as the new lessee cooperates in good faith in any legal or other action taken by County to compel Boyd Andrew or others to cure such default.

The Trustee, its designee or agent may, but is not required to, make any payment or perform any act as required hereunder to be made or performed by Boyd Andrew with the same effect as if made or performed by Boyd Andrew provided that no entry by the Trustee upon the Leased Site for such purpose shall constitute or be deemed to be an eviction of Boyd Andrew and shall not waive or release Boyd Andrew from any obligation or default hereunder (except any obligation or default which shall have been fully performed or corrected by such payment or performance by the Trustee).

32. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

33. **Entire Agreement.** This document represents the entire agreement of the parties regarding the lease of the property described above and may not be modified or amended except by subsequent written instrument duly authorized and signed by both parties.

DATED this ____ day of _____, 2006.

COUNTY

ATTEST:

By: _____

Its: Chairperson

By: _____

APPROVED AS TO FORM
AND CONTENT:

County Attorney

STATE OF MONTANA
County of Jefferson

This instrument was acknowledged before me on _____ by

_____.

SEAL

(Signature)

(Print Name)

Notary Public for the State of Montana

Residing at _____, Montana

My Commission expires: _____

BOYD ANDREW COMMUNITY SERVICES

By: _____

Its President

ATTEST:

By: _____

Its Secretary

STATE OF MONTANA
County of Lewis and Clark

This instrument was acknowledged before me on _____ by _____.

SEAL

(Signature)

(Print Name)

Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires: _____

CONCURRENCE WITH LEASE

The Department of Corrections hereby concurs with the Lease.

Dated: _____, 2006.

DEPARTMENT OF CORRECTIONS

By: _____
Its: _____

STATE OF MONTANA
County of Lewis and Clark

This instrument was acknowledged before me on _____ by _____.

SEAL

(Signature)

(Print Name)

Notary Public for the State of Montana
Residing at _____, Montana
My Commission expires: _____

EXHIBIT A

A tract of land located in the Southwest ¼ of Section 33, Township 6 North, Range 4 West, Principal Meridian, Montana, Jefferson County, Montana and this tract contains 9.25 acres together with and subject to all appurtenant easements of record.